



FY16 Executive Budget

Schedule 08 Department of Public Safety and Corrections — 08C Youth Services



**Louisiana Senate
Finance Committee
May 4, 2015**

FY16 Executive Budget

Schedule 08C — Youth Services Agencies

08C-403 Office of Juvenile Justice

- Administration
- North Region
 - Swanson Center for Youth – Monroe; Swanson Center for Youth — Columbia; Shreveport Regional Office; Tallulah Regional Office; and Monroe Regional Office.
- Central/Southwest Region
 - Acadiana Center for Youth (opens May 2016); Lafayette Regional Office; Alexandria Regional Office; Lake Charles Regional Office; Natchitoches Regional Office; and Cecil J. Picard Center.
- Southeast Region
 - Bridge City Center for Youth; New Orleans Regional Office; Baton Rouge Regional Office; Hammond Regional Office; and Thibodaux Regional Office.
- Contract Services
 - Community-based programs.
- Auxiliary Account
 - Canteen programs and youth welfare activities.

Audit Findings

OFFICE OF JUVENILE JUSTICE, MONITORING OF NON-SECURE RESIDENTIAL CONTRACT PROVIDERS • JANUARY 15, 2014

This audit examined how the Office of Juvenile Justice (OJJ) monitors its non-secure residential contract providers as a follow-up to a report issued in December 2010. The 2014 audit found that OJJ has not established a formula to determine rates for non-secure residential contracts as required by state law, nor does it monitor the contract providers' finances to ensure they stay within their budgets and spend their per diem money on required youth services.

OJJ also does not have a comprehensive set of monitoring tools that would help it ensure that program specialists are keeping track of whether providers are fulfilling all contract requirements and that would allow it to make sure it is consistently imposing sanctions on those providers who fail to adhere to all provisions in the contract. In addition, OJJ collects outcome data from non-secure residential contract providers, but it does not ensure the data are complete or use the information to measure the quality and effectiveness of its contracted services. OJJ also has not developed a plan to monitor the contracts that are managed by Magellan Health Services.

OFFICE OF JUVENILE JUSTICE, MONITORING OF PREVENTION AND DIVERSION CONTRACT PROVIDERS • FEBRUARY 5, 2014

OJJ cannot ensure its program specialists are adequately monitoring the specific services of each contract provider because its standardized monitoring tool is too broad. In addition, OJJ does not make sure providers submit annual reports showing their performance in specific areas as required by their contracts or evaluate the effectiveness of the prevention and diversion programs as required by state law. For example, OJJ did not renew six (60%) of the 10 programs with the lowest entry rates for fiscal year 2014; two of which had a 0% entry rate.

Audit Findings (continued)

OFFICE OF JUVENILE JUSTICE, YOUTH
SERVICES • DECEMBER 24, 2014

This management letter was a follow-up to a letter issued in December 2013. In the initial letter, auditors found that OJJ had inadequate controls in place over foster care reimbursement requests. In 2014, for the second consecutive year, auditors found that OJJ did not properly review Foster Care – Title IV-E (Foster Care) reimbursement requests prepared by the Department of Public Safety (DPS), resulting in an estimated \$424,489 in net under-billed federal funds. In addition, OJJ did not provide adequate support for rates used in making Foster Care maintenance payments totaling \$2.4 million to six residential care facilities for the fiscal year ended June 30, 2014. These residential facilities serve youth who have been adjudicated delinquent or in need of services, including Foster Care-eligible juveniles as well as those not eligible under the Foster Care program. In a review of the rates being used to pay each of the six facilities, the audit noted that the payment rates for five of the six facilities were determined through a request for proposals (RFP) process, where the cost per juvenile was calculated. OJJ could not provide support for the calculation of the allowable maintenance percentages used in determining the amount of costs to bill to the Foster Care program; therefore the allocation of total costs to the Foster Care program could not be verified.

The other facility, Ware Youth Center, was not subject to an RFP bidding process. This facility receives a set monthly payment, regardless of the number of juveniles housed at the facility. OJJ was reimbursed an average per juvenile of \$174.09 per day for the juveniles housed at Ware while the average reimbursement for the other five facilities tested was \$87.38 per day; therefore the payment rate for Ware does not appear reasonable. In addition, as with the other five facilities, OJJ could not provide support for the calculation of the allowable maintenance percentages used in determining the amount of costs to bill to the Foster Care program; therefore the allocation of total costs to the Foster Care program could not be verified.

Youth Services

FY15 Existing Operating Budget vs. Proposed FY16 Budget

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
Youth Services	\$ 116,965,821	\$ 115,246,865	<i>\$ (1,718,956)</i>

Total Positions	887	996	109
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Other Charges Positions:

6	Administration	\$ 619,704
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FY16 Non-Discretionary Funding

Total Non-Disc.: \$3,976,780

Percent Non-Disc: 3.5%

Total Non-Disc. SGF: \$3,976,780

Non-Disc. T.O.: 0

FY16 Discretionary Funding

Total Discretionary: \$111,270,085

Percent Discretionary: 96.5%

Total Discretionary SGF: \$92,493,821

Discretionary T.O.: 996

Youth Services

Non-Discretionary/Discretionary Funding by Agency

Non-Discretionary Funding:

\$3.9 m. — Administration (retirees' group insurance, maintenance in state-owned bldgs, legislative auditor fees)

Discretionary Funding:

\$10.3 m. — Administration

\$28.5 m. — North Region

\$14.0 m. — Central/SW Region

\$25.3 m. — Southeast Region

\$33 m. — Contract Services

\$236 k. — Auxiliary

FY16 Executive Budget

Schedule 08C — Youth Services Statistics

As of April 1, 2015:

Total Population in Secure Care: 420

- Gender: 401 Male; 19 Female
- Race: 342 black; 68 white; 10 other
- Age: 248 (16-17); 95 (13-15); 76 (18-20); 1 (less than 13)

Total Population on Probation/Parole: 2,654

- Gender: 2,124 Male; 530 Female
- Race: 1,679 black; 860 white; 115 other
- Age: 1,248 (16-17); 1,159 (13-15); 143 (18-20); 104 (less than 13)

As of the 4th Quarter of 2014:

Youth in Custody:

- 517 in secure custody
- 301 in non-secure custody
- 53 FINS custody

Youth on Probation:

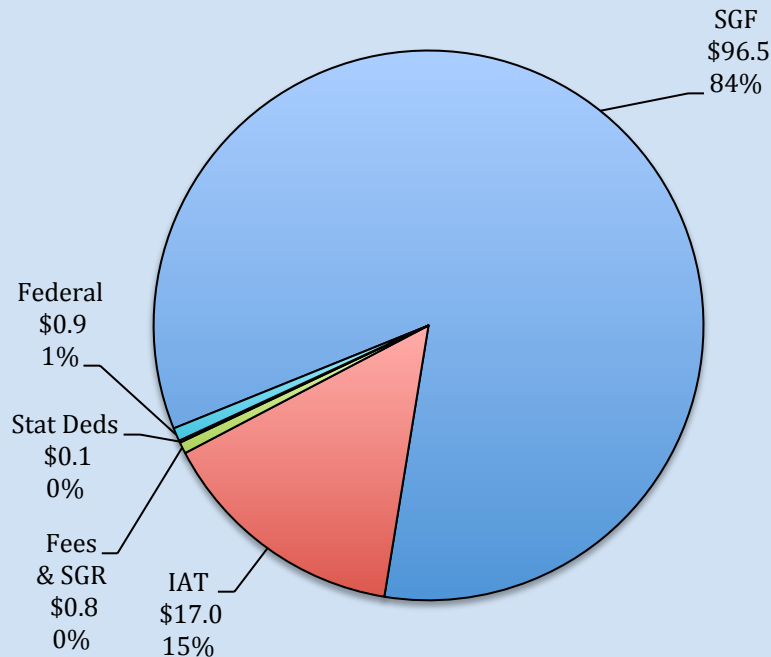
- 2,054 (delinquent)
- 343 (FINS)

Youth on Parole:

- 158

FY16 Youth Services Means of Finance

FY16 Total Means of Finance
(In Millions)



Major Non-SGF Sources of Funding:

Interagency Transfers are the largest non-SGF source of funding in Youth Services, at roughly 15 percent of the budget.

Interagency Transfers come from the state Department of Education for Titles I and II funding and MFP dollars to school districts for youth offender education; juvenile justice grants from LCLE; and cost reimbursement for youth eligible under Title IV-E and TANF from DCFS.

Fees and Self-generated Revenues are derived from partial reimbursement of probation and parole fees from parents; restitution and contraband seized from youth offenders; employee meal purchases and other vending; use of the Cecil J. Picard Educational and Recreational Center; and canteen sales and telephone commissions at Swanson and Bridge City.

Statutory Dedications come from the Youthful Offender Management Fund.

Federal Funds are derived from U.S. Department of Justice grant programs, and the Social Security Administration for disability and survivor benefits for eligible youth as cost reimbursement for their care.

FY15 Existing Operating Budget vs. FY16 Recommended

Schedule 08C Youth Services — Total Expenditures

Expenditure Category	FY15 Existing Operating Budget	FY16 Recommended Budget	Difference
Personal Services	\$65,195,846	\$64,404,104	(\$791,742)
Operating Expenses	\$5,538,814	\$4,990,764	(\$548,050)
Professional Services	\$331,266	\$348,099	\$16,833
Other Charges	\$45,781,206	\$45,313,432	(\$467,774)
Acquisitions & Major Repairs	\$118,689	\$190,466	\$71,777
Total Expenditures	\$116,965,821	\$115,246,865	(\$1,718,956)

FY16 Youth Services

Selected Standard Statewide Adjustments

Annualization of FY15 Mid-Year Reduction Plan — (\$552 k.) SGF and (10) T.O.

Performance/Salary Adjustments:

\$4.8 million SGF — Salary Base Adjustment

(\$2.5 million) SGF — Attrition Adjustment

Retirement Adjustments:

(\$1.1 million) SGF — La. State Employees' Retirement System Rate Adjustment

(\$3 million) Total — La. State Employees' Retirement System Base Adjustment

Group Insurance Adjustments (tied to OGB rate increase):

\$443 k. SGF — Group Insurance Rate Adjustment for Active Employees

\$416 k. SGF — Group Insurance Rate Adjustment for Retirees

Other:

\$454 k. SGF — Office of Technology Services

(\$1.4 million) SGF — GEMS Savings (standard statewide adjustment)

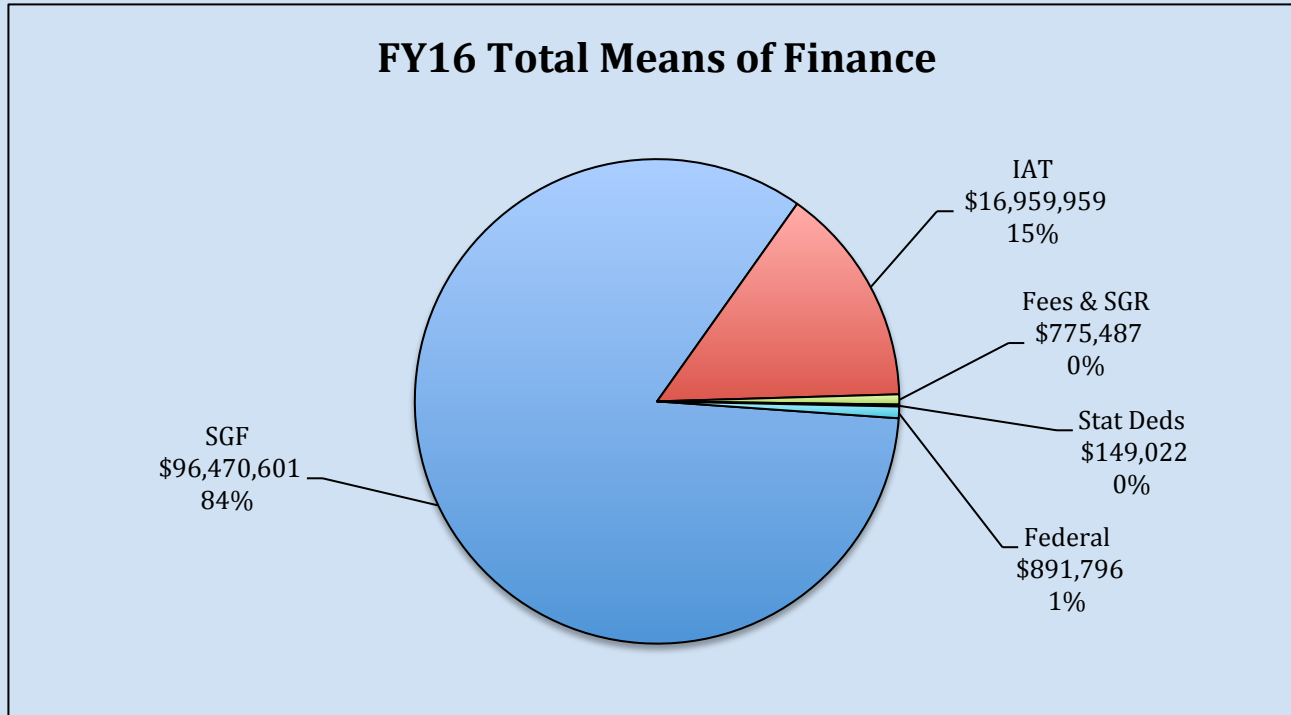
(\$14 k.) SGF and (5) T.O. — Office of State Human Capital

Youth Services

08-403 Office of Juvenile Justice

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Juvenile Justice	\$ 116,965,821	\$ 115,246,865	\$ (1,718,956)

Total Positions	887	996	109
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FY16 Non-Discretionary	FY16 Discretionary
\$3,976,780	\$111,270,085

Youth Services

08-403 Office of Juvenile Justice

Significant FY16 Budget Issues in Youth Services — Office of Juvenile Justice:

(\$5.9 million) SGF — Total reduction associated with GEMS savings for parole caseload adjustments, Title IV-E funding increase, improvements to non-secure residential programs, span of control adjustments, etc.

(\$1.6 million) Total and (15) T.O. — Reduction in the North Region due to realignment of facilities and offices.

(\$1.3 million) Total and (4) T.O. — Reduction in the Central/Southwest Region due to realignment of facilities and offices.

\$2.9 million Total and 19 T.O. — Increase in the Southeast Region due to realignment of facilities and offices.

\$285 k. SGF — Funding provided to allow for real-time response to electronic monitoring of youth in state custody.

\$3.5 million SGF and 124 T.O. — Increase provided for the Acadiana Center For Youth, which is scheduled to open in May 2016 with a 72-bed capacity. For FY16 Recommended, partial funding is provided for the 124 positions, start-up costs for furniture and equipment, and two months of operational costs.

Other Law Enforcement

Expenses in Schedule 20 — Other Requirements

20-452 Local Housing of State Juvenile Offenders:

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
Local Housing of State Juvenile Offenders	\$ 2,808,891	\$ 2,808,891	\$ -
Total Positions	-	-	-

Local Housing of State Juvenile Offenders provides funding to parish and local facilities for youth who have been adjudicated delinquent and are waiting on transfer to Youth Services for placement.

This budget unit is at a standstill level for FY16 Recommended.